

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Clarion Hotel
San Francisco Airport
401 Millbrae Avenue
Millbrae, California 94030
August 24, 2000

PANEL MEMBERS

John Duncan
Chairman

Aram Hodess
Vice Chairman

Clifford Cummings
Member

Patricia A. Noyes
Member

Tom Rankin
Member

Laurel Shockley
Member

Dan F. Trammell
Member

Pat Williams
Member

Executive Staff

Victoria Bradshaw
Executive Director

Ada Carrillo
Acting Assistant Director, Administration

Peter G. DeMauro
General Counsel

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I. CALL TO ORDER

Chairman John Duncan called the public Panel meeting to order at 9:07 a.m.

II. ROLL CALL

Members Present

John Duncan, Chairman
Aram Hodess, Vice Chairman
Pat Noyes
Tom Rankin
Laurel Shockley
Dan Trammell
Pat Williams

Members Absent

Clifford Cummings

Executive Staff Present

Victoria Bradshaw, Executive Director
Ada Carrillo, Acting Assistant Director
Peter DeMauro, General Counsel

III. APPROVAL OF AGENDA

Chairman Duncan recommended that, immediately following the presentation and Panel discussion on the Role of Multiple Employer Contracts and before the Panel makes any decisions, the public be afforded another opportunity for comments.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the Agenda as recommended.

Motion carried, 7 – 0.

IV. APPROVAL OF MINUTES

ACTION: Ms. Noyes moved and Mr. Rankin seconded the Panel approve the minutes of July 27-28, 2000, as presented.

Motion carried, 7 – 0.

V. REPORTS OF THE PANEL MEMBERS

There were no reports from the Panel members.

VI. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Bradshaw reported SB 43 was amended in both the Senate and the Assembly on the previous day. The Bill eliminates the ETP sunset date. It makes the Executive Director position a pleasure appointment of the Governor rather than a four-year term. It streamlines the employer eligibility provisions for retraining contracts, and requires all training to be customized to specific requirements of one or more employers and to include skills that trainees can use in the future. The Bill requires that ETP appointees by the Speaker of the Assembly, the President pro Tem of the Senate, and the Governor include a private sector labor representative and a business representative. The gubernatorial ETP appointment will include a member of the public as well as a labor and a business representative. The bill requires the labor and business appointments to be made by nominations of the State labor federations and the State business and trade associations respectively. The bill reduces funding from the Special Employment Training category from 20 percent to 10 percent of the annual funds available to ETP and redirects the use of these funds to training for frontline workers who earn at least the state's average weekly wage.

VII. REPORT OF THE GENERAL COUNSEL

Mr. DeMauro stated there would be an Executive Session today.

VIII. OLD BUSINESS

Chairman Duncan explained that at the Panel meeting held in July there was not a quorum to take action on two items, California Workers Assistance Program Marketing Contract and the UAW/Labor Employment & Training Corporation (SET) Amendment. The Panel acted on these items as a Committee of the Whole, which only made recommendations that the two projects be approved by the Panel.

California Workers Assistance Program Marketing Contract

Mr. Rankin recused himself from this project.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the contract.

Motion carried, 6 – 0 – 1 (Mr. Rankin abstained).

UAW/Labor Employment & Training Corporation (SET) Amendment

Ms. Williams recused herself from this project.

ACTION: Mr. Trammell moved and Ms. Shockley seconded the Panel approve the Amendment.

Motion carried, 6 – 0 – 1 (Ms. Williams abstained).

IX. PUBLIC COMMENT

Nancy Ho, Program Director, Practical Data Processing, Inc. thanked the Panel for the opportunity to comment on the multiple employer contract issue. She stated both new hire and retraining are very critical to the employment development of the California workforce.

X. CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT (CALED) MARKETING AGREEMENT

Ms. Bradshaw presented the Marketing Agreement for California Association for Local Economic Development (CALED) in the amount of \$250,000. CALED will provide ETP with marketing services throughout the state and be the primary point of contact between ETP and the local Economic Development Corporations (EDC). These EDCs have daily contact with small companies, firms locating into the State, and firms contemplating leaving California. The local EDCs will assist in the efforts of promoting ETP to targeted rural areas, regions of high unemployment, and locations where ETP funding has been underutilized.

Ms. Bradshaw introduced Leslie Parks, Chairman-elect. Ms. Parks stated the success of economic development and expansion depends on workforce development. Ms. Parks introduced Bill Davis, Vice President of Special Projects.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the CALED Marketing Contract.

Motion carried, 7 – 0.

XI. MULTIPLE EMPLOYER CONTRACTS

Ms. Bradshaw reported on the information ETP has received over the past eighteen months from various stakeholders regarding multiple employer contract (MEC) issues. Among those issues are the employer demand for training, cost effectiveness, supplement training, employer commitment, and customization. During this same 18 month period, the Panel has successfully addressed these same issues relative to single employer contracts and now we are seeking approval for policy changes regarding MECs. However, Ms. Bradshaw requested that the issues pertaining to small business supplemental training participation be held over. She stated that more public input is needed to ensure adequate representation and recommendations.

Ms. Carrillo briefly described the increased trend toward multiple employer contracts. She stated the following criteria should apply to all MECs: evidence of employer demand for the training, specific information on employer participation in the development of the curricula, description of a marketing plan for recruitment of employers targeted for participation in the contract, and description of the method to be used to ensure continuous participating employer feedback on the effectiveness of the training in meeting their training needs.

Ms. Carrillo suggested the measurement of the cost effectiveness of ETP's investment in an MEC not pertain to those contracts serving the Welfare to Work population or the "working poor" since those populations generally require more training hours. If the cost per trainee in all other contracts is double the ETP average cost per trainee (\$1,420 for this year), the following evidence must be provided in the application for funding: training will result in placement or retention in occupations paying significantly more than the ETP minimum wage requirement after the completion of the retention period, and a significant wage increase for trainees after one year; or training is in occupations that have demonstrated significant wage progressions within two years after completion of training; or training will result in moving trainees into employment with demonstrated career paths; or any other evidence deemed necessary to justify the cost per trainee as defined by the Panel.

Mr. Rankin asked how ETP arrived at the double the average cost per trainee figure. Ms. Bradshaw explained this was intended to address the issues that the Panel has continually brought up when there have been \$6,000 - \$7,000 per trainee in training costs, and if there is a benefit. The reason for doubling the average cost establishes a reasonable benchmark and clearly addresses the projects with high costs per trainee.

Ms. Noyes asked if the \$1,420 average cost per trainee included all contracts, multiple and individual employer. She stated there is a distinctly different pattern of cost per trainee with single employer vs. MECs. The cost per trainee for the larger employer is usually very small, under \$1,000. Multiple employer and new hire contracts are very high. She asked if the averages should be different between the new hire and retrainee costs. She stated the policy question is how much does ETP want to invest in new hire contracts. The Panel may want to make the average

higher to allow for new hire contracts. Ms. Bradshaw assured her that the Panel could make allowances. Ms. Bradshaw stated this policy recommendation screens those contractors who are simply seeking funding sources to replace those that are no longer available as opposed to those who fit the ETP model.

Ms. Carrillo stated for all retraining MECs, it is necessary to ensure that ETP funds are supplementing and not replacing funds available from the employer or other sources. ETP is proposing adding Agreement language that basically says that the contractor has explained the terms and provisions of the supplemental nature of ETP funding to the participating employers, and the Participating Employer Certification to include a brief narrative on how the training supplements the participating employer's on-going training. Ms. Carrillo added all retraining MECs must also provide information in the ETP Agreement showing a quantifiable commitment to the training from its participating employers to ensure the employers have an investment in the training.

Ms. Carrillo stated center-based retraining MECs must provide evidence that the requested training is customized to the requirement of individual employers or groups of employers in a specific industry. The MEC must conduct formal assessments of the training needs of participating employers and design the curricula based on the assessments. All training classes must be composed entirely of ETP trainees.

Ms. Carrillo reported staff recommends the Panel should fund only new hire training that is industry specific or for specialized occupations. Cross-industry, generic training available to the general public and funded by many other sources is contrary to the ETP legislative mandate to fund training that is employer-driven and customized to the needs of specific businesses.

Ms. Carrillo commented that the current policy for first-time MECs limits a contract term to one year. The one-year term does not allow sufficient time to demonstrate successful contract performance. In order to ensure sufficient time for a first-time MEC to successfully perform under a contract, the current one-year term restriction should be replaced with a project funding limitation of \$200,000, with additional training phases to be based on successful contract performance.

Ms. Carrillo reported on the issue of secure employment on all contracts. She stated some of the criteria in the current regulation for calculating company turnover rate contain factors which are out of the contractor's control, such as death, retirement, disability, etc., and a more equitable method of ensuring secure employment would be to exclude these factors from the turnover calculation.

Mr. Hodess commented that many of the contracts do not have any evidence of an employer's commitment and contribution to future training. He stated ETP should not be funding training without a quantifiable and substantial employer contribution. He suggested a threshold of 20 percent of the cost of the contract be required as the employer's contribution, waiveable by action of the Panel if there are findings that 20 percent would be a hardship for a particular employer or group of employers. Panel members agreed there should be a required employer contribution. Mr. Hodess also

stated that ETP should not be funding generic training that could be obtained elsewhere, such as a community college.

Ms. Bradshaw suggested holding two public sessions to obtain additional input on the appropriate level of in-kind contribution commitment.

Mr. Rankin asked what is considered a “significant” wage increase for trainees after completion of training. Ms. Bradshaw suggested including this issue in the public sessions.

XII. PUBLIC COMMENT

Bruce Klimoski, Continental Training Center, voiced agreement that there are training benefits from employer contribution. He stated that when employers were asked to provide a contribution for the training of their employees, the attendance was much more regular, there were fewer issues of trainees missing classes and scheduling make-up classes. He stated the proof of the cost effectiveness is in the retention figures. He stated he believed it would be very difficult to define a “significant” wage increase.

Kathleen Milnes, Senior Vice President, Entertainment Industry Development Corporation (EIDC), reported on the progress of the current EIDC contract. Ms. Milnes voiced her concern regarding classes consisting of ETP trainees only. Ms. Bradshaw suggested adding class composition to the other issues to be discussed at the public testimonial sessions.

Nancy Ho, Program Director, Practical Data Processing, Inc., expressed the need to service the new hire population and the importance of MECs. She spoke on the importance of the generic training that is necessary to the unemployed workers who need jobs immediately and would have to take lengthy courses if ETP funding were not available.

Steve Duscha, Alliance for ETP, spoke in support of the proposed recommendations.

Zane Shaeffer, Director, Community Business School, LLC, voiced agreement with Ms. Ho on the necessity of new hire programs and generic training, especially in high unemployment areas.

Francis Wong, Cogswell Polytechnical College, spoke on customized training. He stated some of the computer courses, such as the Microsoft Certified System computer operating training, are customized.

Bill Brown, Director, Brownson Technical School, spoke on class composition made up of both ETP and non-ETP trainees. Brownson Technical School teaches major appliance repair and focuses on long-term unemployed individuals. The small appliance repair businesses are in competition with the large appliance companies, such as Sears, who offer better benefit packages. The small businesses are going

out of business because they cannot hire trained workers. The local small appliance business owners depend on training facilities such as Brownson to provide them with trained people to hire.

Daniel Alfaro, Center for Employment Training, spoke on the new hire multiple employer contracts for hard to serve individuals with multiple barriers to employment. The Training Center customizes the training with the participating employers. He thanked the Panel for a very successful partnership with the ETP and the Center for Employment Training. He agreed that employers should contribute to the cost of ETP training, if not financially, then with equipment, materials, etc.

SallyAnne Monti, Project Manager, Manex, spoke on small businesses in the manufacturing environment. She asked the Panel, when initiating new regulations and policies, to consider not creating barriers to the small business. She stated increased wages are a natural result of supplemental training. Manex's experience has been that a small company will not initiate a training program unless it believes there will be a tangible result. The small business cannot afford to take workers off the production line and put them into training unless the company has an investment in the project and foresees a tangible result.

Chairman Duncan announced the following issues are to be addressed at public hearings to be scheduled in the near future: 1) level of small business participation in MEC contracts; 2) class composition; 3) specific level of employer contribution; 4) definition of "significant" wage as it relates to cost effectiveness. Information obtained through the public hearings will be presented at a Panel meeting later in the year.

Chairman Duncan presented proposed procedures and processes to the Panel for approval.

Amend Title 22, CCR, Section 4417, Secure Job, to provide a more equitable method of calculating turnover rate by eliminating the factors of deaths, disability, retirement, transfers to another company facility, and seasonal workers.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Approve a new policy pertaining to multiple employer contracts that would establish all MECs must provide information on employer demand for training.

ACTION: Ms. Noyes moved and Mr. Hodess Seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Require that if the cost per trainee is more than double the ETP average cost per trainee, all MECs (except those serving Welfare to Work or working poor trainees) must provide evidence to justify the higher cost per trainee.

ACTION: Ms. Shockley moved and Ms. Noyes seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Retraining MECs must provide information on the customization of training including assessment of participating employers' training needs. (The small business participation issue will be held over until a later date.)

ACTION: Mr. Hodess moved and Ms. Williams seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Replace the current one-year term restriction on first-time MECs (Policy Directive 96-005) with a funding limitation of \$200,000 and additional training phases to be based on successful contract performance.

ACTION: Ms. Noyes moved and Ms. Shockley seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Fund only new-hire training that is industry specific or for specialized occupations.

ACTION: Mr. Hodess moved and Mr. Rankin seconded the Panel approve the recommendation.

Motion carried, 7 – 0.

Direct staff to proceed with all other necessary administrative procedures and processes to implement the preceding recommendations.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the recommendation

Motion carried, 7 – 0.

Ms. Bradshaw announced ETP will schedule at least two public hearings to address the small business participation, the class composition issue, the specific level of employer contribution and any on-going commitment level, and a definition of significant wage as it relates to cost effectiveness.

Ms. Carrillo requested the Panel take action on the center-based retraining issue of providing information on the customization of training with the issue of class composition to be taken up at a later date.

ACTION: Mr. Rankin moved and Ms. Shockley seconded the Panel approve center-based retraining MECs must provide information on the customization of training including assessment of participating employers' training needs.

Motion carried, 7 – 0.

Mr. DeMauro stated the panel was acting under authority of Code of California Regulations, Title 22, Section 4405. This Regulation authorizes the Panel to establish funding restrictions on contracts and/or funding priorities, which include, but are not limited to: setting dollar caps on contracts, requiring contractors to contribute a specified dollar amount to each contract, assigning priority to contracts proposing training for new hires and recently hired trainees, and assigning priority to small business and/ or industries. Mr. DeMauro indicated that the Panel has broad authority to set such restrictions or priorities by virtue of this regulation.

XIII. CONSENT CALENDAR, FINAL AGREEMENTS, AND AMENDMENTS

Mr. DeMauro described the additional wage information included on the ETP130 report for each single employer project. Staff has provided the prevalent wage and wage range by occupation, and, for most agreements, a weighted-average hourly wage for all trainees.

Amendments

West Los Angeles College (SET)

Ron Tagami, manager of ETP's North Hollywood field office, presented an Amendment to the West Los Angeles College Agreement utilizing Special Employment Training (SET) funds. The Contractor states that a greater number of participating employers are currently opting for the 40-hour training curriculum to meet their training needs rather than the 60- or 80-hour curricula. This Amendment will reduce the numbers of trainees to complete the 60- or 80-hour curricula and increase the 40-hour training curriculum to 148 positions. In addition, a new Job #6 is being created to enable 20 trainees who completed the 40-hour curriculum to take an additional 40 hours of training. There is no change to the total amount of the Agreement.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the Amendment as proposed.

Motion carried, 7 – 0.

Pacific Bell Wireless

Charles Lundberg, acting manager of ETP's Sacramento field office, presented an Amendment to the Pacific Bell Wireless Agreement utilizing SET funds for workers affected by defense industry cutbacks and military base closings. The Contractor is requesting that 72 trainees be redistributed from Job 1 to Job 2 for technical reasons. Due to a greater-than-expected economic growth and a positive business outlook, the Contractor is requesting the addition of 160 trainees. This Amendment will increase the number of trainees to 660 and increase the total dollar amount of the Agreement by \$274,824. This project is supported by the Communications of America, District 9, AFL-CIO. This project will create 160 new jobs in Merced County, which is one of the high unemployment counties in the state.

Mr. Lundberg introduced Bernard Henderson, Director of Customer Care Operations, and Karen Hooper, H.R. Manager.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the Amendment as proposed.

Motion carried, 7 – 0.

Bay Area Video Coalition

Creighton Chan, manager of ETP's San Mateo field office, presented an Amendment to the Bay Area Video Coalition (BAVC) Agreement in the amount of \$351,000. BAVC is proposing to expand its current retraining project because of the needs of local employers for staff trained in cutting-edge technologies. BAVC training is in high demand. The Contractor is proposing adding 184 ETP trainees for a total of 384 persons learning new skills that will help them advance substantially in their careers. Training is customized to meet each employer's specific needs. The narrow industry specific focus of the training further ensures customization.

Mr. Chan introduced Jeremy O'Neal, Director of Education and Technology, and Mindy Aronoff.

ACTION: Ms. Williams moved and Mr. Rankin seconded the Panel approve the Amendment as proposed.

Motion carried, 7 – 0.

Chairman Duncan declared a recess to reconvene at 1:00 p.m. for the Review and Action on Agreements. Peter DeMauro explained the Panel would go into Executive Session in connection with personnel/litigation matters authorized by Government Code Sections 11126(a) and 11126(q).

XIV. REVIEW AND ACTION ON AGREEMENTS AND PROPOSED AGREEMENTS

Chairman Duncan announced the representatives for Hotel Sofitel requested to be first on the Agenda for presentation because of a scheduling conflict.

One-Step Agreements

Hotel Sofitel San Francisco Bay

Mr. Chan presented a One-Step Agreement for Hotel Sofitel San Francisco Bay in the amount of \$275,340. Mr. Chan stated Hotel Sofitel, a convention/conference hotel, has shown that 70.6 percent of its gross annual revenue comes from out of state. Hotel Sofitel participates in out-of-state trade shows, advertises in out-of-state publications, and solicits out-of-state businesses through an outside marketing firm contract and the Internet. In order to remain a profitable and viable convention facility, Hotel Sofitel must attract and retain national and international conference business. Customer surveys point to customer service deficiencies due to a lack of internal communication, follow-through, and teamwork between departments. In order to meet customer demands, Hotel Sofitel must embark on an extensive retraining effort across its workforce. As in manufacturing, hotel employees need to understand continuous improvement principles and tools in order to move to a high performance workplace.

Both Hotel Employees & Restaurant Employees Union Local 340 AFL-CIO and the Stationary Engineers Local 39 of the International Union of Operating Engineers AFL-CIO labor organizations and members working at the hotel have concurred and have signed statements supporting the training planned in this proposal.

This project was first presented at the February Panel meeting. Staff was informed that the Hotel Employees & Restaurant Employees Union Local 340 AFL-CIO had withdrawn its support of the project. Staff has received notification in writing that the issues have been resolved and the unions now support the implementation of the ETP-funded training program.

Mr. Chan introduced Nancy Robinson, Director of Human Resources, Jacqueline Hartman, Training Consultant. Ms. Robinson introduced representatives of the Hotel Employees & Restaurant Union Local 340 AFL-CIO, and noted that the representative of Local 39 of the International Union of Operating Engineers had been invited but was unable to attend.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One Step Agreement as proposed.

Motion carried, 7 – 0.

Falcon Lock

Mr. Tagami announced the One-Step Agreement for Falcon Lock has been withdrawn from consideration at this month's Panel meeting. This project will be presented in San Diego at the September meeting.

Hacienda La Puente Unified School District (SET)

Mr. Tagami presented a One-Step Agreement for Hacienda La Puente Unified School District (SET) in the amount of \$77,840. This second ETP project will utilize SET funds for entrepreneurial training to retrain 140 small business owners. The contractor will utilize its 40-hour curriculum, which has proven to be very successful in their first project. Each class will be comprised of 100 percent ETP trainees.

Mr. Tagami introduced Mr. Barry Altshule, Director of Academic and Community Program. Hacienda La Puente Unified School District provides hands on computer training to qualified small business owners. Ms. Williams asked if the contractor will get average daily attendance funds from the Department of Education for the class. Mr. Altshule responded that there would be none.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

La Canada Design Group (SET)

Mr. Tagami presented a One-Step Agreement for La Canada Design Group (SET) in the amount of \$6,400 to fund training for frontline workers. La Canada Design Group, located in Pasadena, employs 15 people. The company specializes in facility design and plans for facility renovation and modifications. The company is requesting funding to retrain eight workers in AutoCAD 2000 and Autodesk Architectural Desktop R2. No advance degree or senior-level managers who set company policy will be trained in this agreement. The contractor's in-kind contribution will be \$8,200 for employees wages paid during training. In addition, there will be an expenditure of \$19,080 for purchase, installation of new software, and production time. Mr. Tagami introduced Ms. Veronica West, Vice President - Treasurer. Ms. West stated the need for training is due to the lack of computer skills to draw and construct what is required to meet customers' needs.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

Thrifty Payless, Incorporated

Mr. Tagami announced the One-Step Agreement for Thrifty Payless, Incorporated, has been withdrawn from consideration at this month's Panel meeting.

12th Street Collaborative for Montessori (Welfare to Work)

Mr. Lundberg announced the One-Step Agreement for 12th Street Collaborative for Montessori has been withdrawn from consideration at this month's Panel meeting.

Blue Diamond Growers

Mr. Lundberg presented a One-Step Agreement for Blue Diamond Growers for the amount of \$362,400 to retrain programs for 327 employees. Due to competition from foreign companies, Blue Diamond has eliminated management positions, and has transferred the problem solving process directly to frontline workers. These employees must have skills in decision making in order to analyze and solve problems.

The company has a thorough assessment of each employee and has determined that 327 currently employed full-time workers need training in team development, problem solving, quality skills, leadership skills, production/process workflow, customer service and other skills. Seventy-four trainees in Job 1 will receive 80 hours of training and leadership skills and advanced software skills. Job 2 trainees, consisting of 240 frontline workers will receive 120 hours of core production skills, SPC, cycle problem solving and other skills. Finally, 13 workers in Job 3 who are computer specialists and auditors will receive 160 hours of training.

Blue Diamond has certified that this training is supplemental and supplements rather than displaces existing training. The in-kind contribution to the program will include \$494,000 for new systems and over \$550,000 in wages paid during the training period.

Mr. Lundberg introduced Mr. Lawrence Dicke (Vice President and CFO) and Kenneth Fletcher, Training Manager. Mr. Rankin asked if production workers and plants are unionized. The response was that they are not unionized.

ACTION: Ms. Noyes moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

Pac-West Telecomm, Incorporated

Mr. Lundberg presented a One-Step Agreement for Pac-West Telecomm, Incorporated in the amount \$511,760 proposal to train 555 employees. The project was referred to ETP by the California Trade and Commerce Agency through a marketing contract. Pac-West Telecom, Inc. is an integrated communications provider. Most sales are to

smaller companies. The company has a rapid growth of 10 to 15 new employees each week. PAC-West Telecom is changing to become a high performance workplace to adapt productively to its rapid growth and transformation to an empowered management style. Additional training is required to keep up with the rapid changes and technology in the telecommunications industry. The in-kind contribution is over \$400,000 in training funds as well as over \$680,000 in wages paid during training for a total of over \$1,000,000.

Mr. Lundberg introduced Mr. Harry Wilson, Vice President, Human Resources.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

Placer County Office of Economic Development (Welfare to Work) (SET)

Mr. Lundberg presented a One-Step Agreement for Placer County Office of Economic Development Board (EDB). This \$183,755 proposal with four funding categories are: Welfare to Work (W2W) Program, training for UI recipients who had exhausted their benefits in the last 2 years, special employment training category with multiple barriers to full-time employment, and standard retraining component. The County of Placer has had an active economic development program for over 40 years. In 1989, EDB was formed to create jobs and create a diversified economic base. In 1998, EDB was designated by the County Board of Supervisors as the Job Creation Task Force under the provision of the State of California's Job Creation Investment Act and in Partnership with County's CalWORKS program. The County of Placer has a close working relationship with the County Department of Health and Human Services to identify W2W participants. The County also works and subcontracts with Sierra College, which will provide a One-Stop center for business and industry assistance. The County has worked with Gap, Inc. Direct since October 1999. Gap, Inc. Direct is the e-commerce division of Gap, Inc., and requires a workforce well trained in call center operations. The County of Placer will work with Employment Development Department (EDD) for recruitment, as well as with Business Advantage Network. The Gap Inc. Direct certifies that the training supplements rather than displaces current training. The Gap is contributing approximately \$25,368 in wages and \$750 in training costs to this project.

Mr. Lundberg introduced Mr. Edward Graves, Director of Economic Development for Placer County. Mr. Graves introduced Ms. Marci Shaffer of Sierra College as Program Manager; and Ms. Pamela Castillo a senior business development representative and a supervisor in the CalWORKS program. Ms. Shaffer and Mr. Graves stated that this project is a result of working with CalEd. Mr. Hodess commented that Gap's contribution is very low and asked why no built-in cost for future training is anticipated by the employer. Ms. Shaffer explained that Gap's targeted group is people who are currently unemployed and who are on welfare, and not their own employees. Mr. Graves noted that the wages are \$10.57 per hour plus benefits, childcare, and transportation. The company is committed to hire 1,200 individuals eventually. He added that even though the 3.4 percent unemployment rate in Placer County is very low, this budget is directed

towards the welfare program. Ms. Bradshaw commented that if the employer comes back with a retraining contract, there might be a need to look closely at the employer contribution provided.

ACTION: Mr. Trammell moved and Ms. Noyes seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 - 0.

Solano & Napa Counties Electrical Joint Apprenticeship Committee (SET)

Mr. Lundberg presented a One-Step Agreement for Solano & Napa Counties Electrical Joint Apprenticeship Committee (SET) in the amount of \$46,640. Under the SET category for frontline workers, the contractor proposes to retrain 80 workers. This project was brought to the Panel's attention through the marketing efforts of the California Labor Federation, California Workers Assistance Program. The Solano and Napa Counties Electrical Joint Apprenticeship Committee (JAC) is the training division for the International Brotherhood of Electrical Workers, Local Union 180 and the National Electrical Contractors Association. Due to a growing number of manufacturing firms centrally located in Solano-Napa Counties to distribute to bio-tech, bio-med and high technology companies, electrical contractors are experiencing difficulty in bidding on jobs because they cannot find employees with the necessary skills. Additionally, they are losing qualified electricians who are reaching retirement age. This project will train 80 journey-level electricians in commercial skills including applied code logy, code calculations, technical math, AC/DC theory, and electrical grounding. This project has the support of the International Brotherhood of Electrical Workers (IBEW), AFL-CIO Local Union 180 and the National Electrical Contractors Association. No apprenticeship training will be funded by ETP under this agreement. Also, the Contractor has stated in writing that training trust funds are currently unavailable to provide training outlined in this proposal; and therefore without ETP funds, this training could not occur. Training provided by the JAC is customized for employer's needs.

Mr. Lundberg introduced Mr. Michael Jones, Training Director of Solano and Napa Counties Electrical JAC and Mr. Dan Broadwater, Business Agent of IBEW, Local Union 180.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 - 0.

Standard Register Company

Mr. Lundberg presented a One-Step Agreement for Standard Register Company in the amount of \$436,850 to retrain 212 employees. The company's primary business is the manufacture and sale of business forms for use in recording, storage, and communication of business transactions and information. To become a high performance workplace, the company has upgraded and invested \$7.2 million in the

restructuring of plant processes that required the upgrade and cross training of all employees to higher skill levels. Standard Register Company located in Tulare is listed among the counties in California with the highest unemployment rates, i.e., exceeding the state average by at least 50 percent as of June 2000. The company estimates training and training-related costs (without wages), not covered by ETP funds, to be \$15,000; the estimated wages to be paid during training will be \$229,890, for a total of \$244,890.

Mr. Lundberg introduced Mr. Phillip Jones, Manager of the Porterville Plant; Ms. Pamela Maples, Human Resources Manager; and Mr. William Parker, President of National Training Systems. Mr. Trammel asked if the company has medical benefits for their employees; and the response was in the affirmative.

ACTION: Mr. Rankin moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

United Health Group d.b.a. Uniprise

Mr. Lundberg presented a One-Step Agreement for United Health Group d.b.a. Uniprise in the proposal of \$1,030,920 to train 567 retrainees. Uniprise, a second-time project with ETP, came to ETP through the effort of the Trade & Commerce Agency. Since 1974, Uniprise has provided health care services nationally for large organizations and their employees. Having determined that a quality workforce is dependent upon good training, Uniprise is proposing a Business Skills training program in order to become more customer-focused in providing health benefits information over the telephones. In the course of the Agreement, Uniprise plans to hire additional 317 employees in Chico, Butte County, which is listed among the counties of California with the highest unemployment rates. The applicant is not requesting any waiver of existing ETP minimum wage policy, since the wages to be paid trainees are high enough to satisfy ETP minimum wage. Uniprise estimates training and training-related costs (without wages), not covered by ETP funds, to be \$750,000. They estimate the wages of employees to be paid during training will be \$1,000,000, for a total of \$1,750,000. The company certifies that this training is supplemental.

Mr. Lundberg introduced Ms. Viki Steenhuis (Administration National Business Manager) and Mr. Ken Rodriguez both from Uniprise and Mr. Steve Duscha. Mr. Hodess asked if Uniprise plans to continue training after the contract, and was told that the company plans on-going training. Ms. Williams asked if the company plans to continue training the balance of the workforce and not just continuous training to those who have received training previously. Ms. Steenhuis stated that Chico is the service area for the additional new-hire trainees and subsequently employees at the Chico location will receive continuous training.

ACTION: Ms. Shockley moved and Ms. Noyes seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 7 – 0.

XV. PUBLIC COMMENT

There were no members of the public who wished to comment.

XVI. ADJOURN

There being no further business and no objection, it was moved by Mr. Trammel and seconded by Ms. Noyes the Panel meeting be adjourned. Meeting was adjourned at 1:57 p.m.